From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Mon, 3/16/2015 6:04:12 PM
Subject:	Daily Update

Quote of the Day

"The most dangerous place you can be is the place where you think there is no danger." - ?????

- Good morning. Equities are higher while oil is pluming six year lows ($43s) this morning (there was a negative story in the WSJ on Saturday). The Israeli election process is probably impacting prices a bit too. The Euro is recovering a bit from twelve year lows, the German DAX has crossed the 12k threshold for the first time while Chinese stocks are at five year highs on Li's policy comments to defend growth. It was a quiet news w/e however; debate on when, how and if the Fed will raise rates continued. There was an interesting article on inflation this w/e (see "Billion Prices Project" in Other). Investors are placing heightened focus on the impact of the dollar and inflation on valuation. In other news, there are rumors of a "geo-political" headline coming (Russia?) and Putin is expected to reemerge from "the flu" today (http://nypost.com/2015/03/15/swiss-media-reveals-more-about-putins-girlfriend-baby/) ….. Futures: +13. 10 year: 2.07%

- Data: Empire Manufacturing 6.9 (vs. 8 exp). IP and Capacity Utilization later this morning. The Fed is Wednesday…

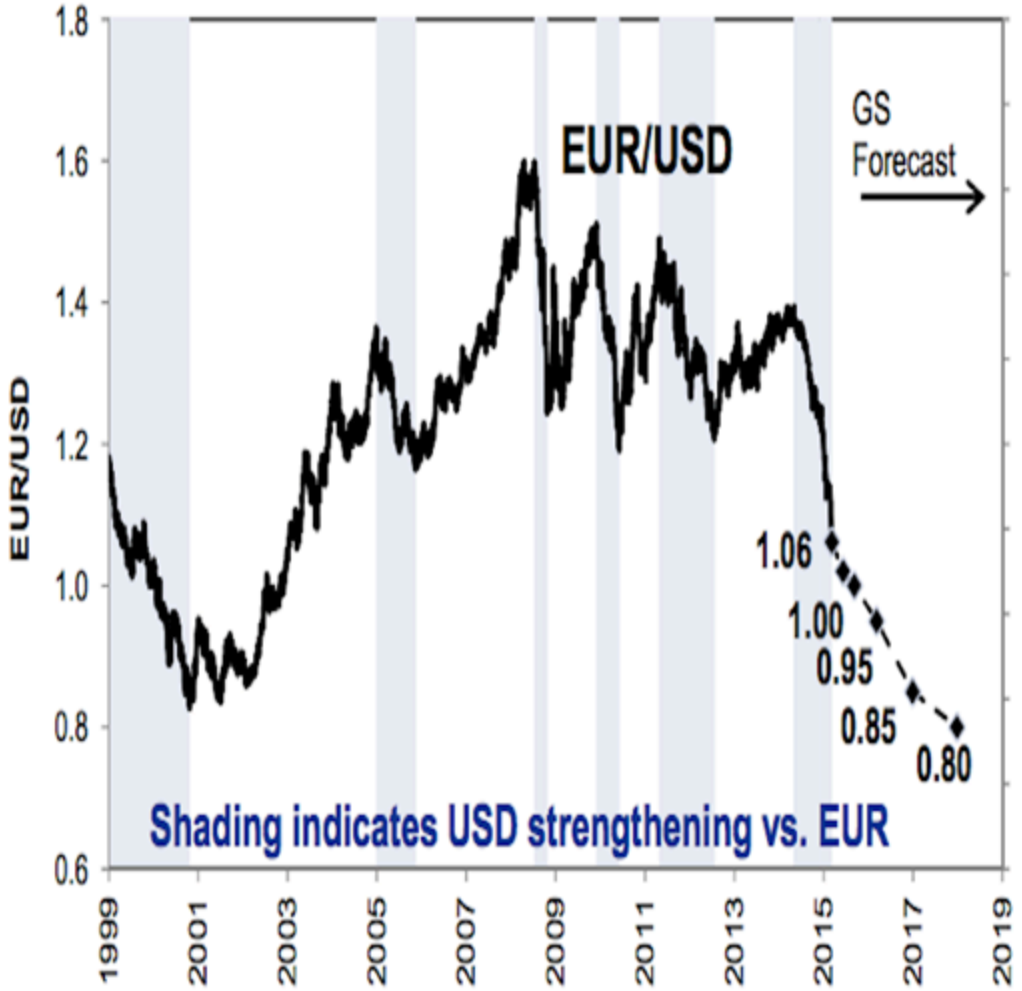
- Credit: The Valeant soap opera continues with a revised bid for Salix. Loans were choppy last week with up days followed by down days. We finished unchg'd on the week. The loan calendar remains light but is exhibiting signs of life. HY bond flows turned positive on Friday and loan flows were not negative. Return update from JPM this morning:

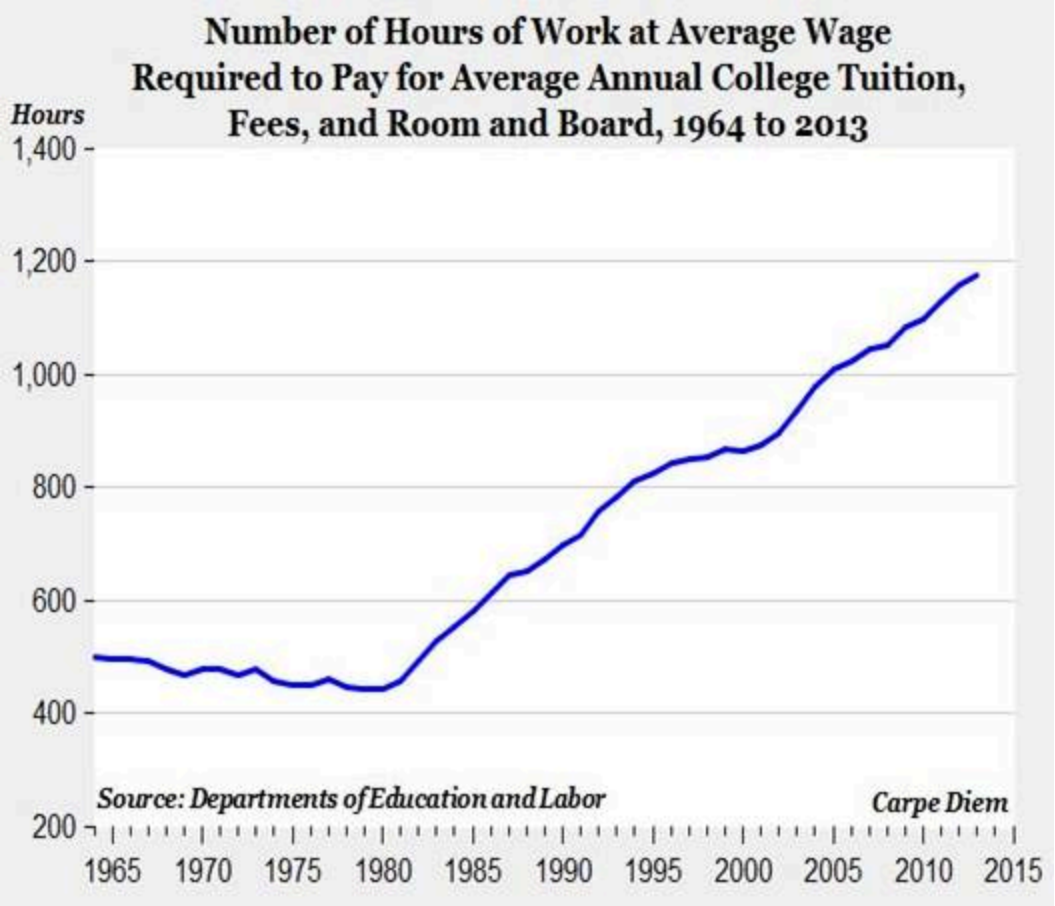
> *High-yield bonds and loans are providing returns of -1.03% and +0.23% month-to-date, and despite the recent setback are among the top performing assets in 2015. And a flat pricing environment between now and year-end would produce gains for high-yield bonds and loans amounting to ~8% and ~6%, respectively, slightly ahead of our FY15 total return forecasts of 7% and 5%.*

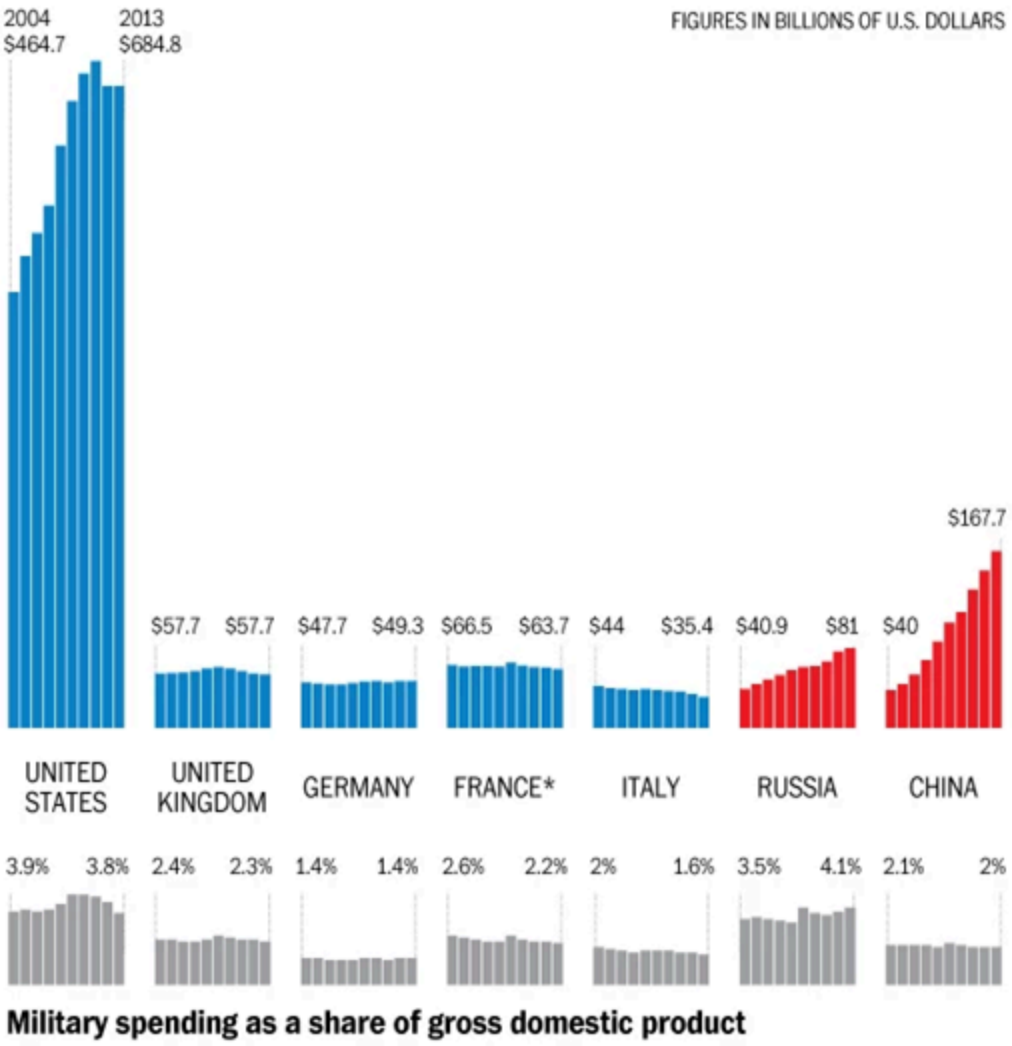
- Charts of the Day:

CLJ15 - Crude Oil WTI
Op:43.82, Hi:44.17, Lo:43.82, Cl:44.15
51.00
50.50
50.00
49.50
49.00
48.50
48.00
47.50
47.00
46.50
46.00
45.50
45.00
44.50
44.15
43.50
Vol: 2,759
Open Interest
50K
40K
30K
20K
10K
0K
9 Mar
10
11
12
13
15

Exhibit 1: We expect the euro will fall by 10% during the next 12 months
as of March 13, 2015




Number of Hours of Work at Average Wage Required to Pay for Average Annual College Tuition, Fees, and Room and Board, 1964 to 2013
Hours
1,400
1,200
1,000
800
600
400
200
Source: Departments of Education and Labor
Carpe Diem
1965
1970
1975
1980
1985
1990
1995
2000
2005
2010
2015



Military spending as a share of gross domestic product

- Other:
  - Hedge Funds Win as Euro Falls http://www.wsj.com/articles/hedge-funds-win-as-euro-falls-1426456857
  - The Billion Prices Project Thinks Inflation May Have Turned a Sharp Corner http://blogs.wsj.com/economics/2015/03/13/the-billion-prices-project-thinks-inflation-may-have-turned-a-sharp-corner/?mod=WSJBlog
  - Anyone needed a used server?

- HY: 107 ¼ (+1/8)
- IG: 65 3/8 (-5/16)
- CSLLI: 0.23% mtd / 2.06% ytd

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